

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 99-0464**

**Sales Tax**

**Calendar Years 1995, 1996, and 1997**

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**ISSUE(S)**

I. **Sales Tax** – Renting and Leasing

**Authority:** 45 IAC 2.2-4-27;

Taxpayer protests the assessment.

**STATEMENT OF FACTS**

An administrative hearing was scheduled for Thursday, December 9, 1999 at 9:00 a.m. Eastern Standard Time. No one appeared at the hearing, therefore the letter of findings is written based upon information contained in the audit file.

Taxpayer, in a letter dated September 21, 1998, protests the sales tax assessed and states it is engaged in public transportation and should not be paying sales tax.

I. **Sales Tax** – Renting and Leasing

**DISCUSSION**

At issue is whether the taxpayer is required to remit sales tax on the leasing of its aircraft.

Taxpayer states it utilizes the aircraft for public transportation and is therefore exempt. In checking with the FAA, it is noted that the taxpayer has no Part 135 certificate on record for

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Aircraft N2236M and the taxpayer was asked in a letter dated September 2, 1999 to provide the department with a copy of the certificate. In the letter, taxpayer was also advised that the renting and leasing of the aircraft is subject to sales tax if the aircraft was purchased exempt.

Taxpayer has not provided detail or explanation why the leases are exempt other than the statement that it uses the aircraft for public transportation.

### **FINDING**

Taxpayer's protest is denied.

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